

## Message Text

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ACTION SCI-06

INFO OCT-01 EUR-25 EA-11 ISO-00 ACDA-19 CIAE-00 INR-10

IO-14 L-03 NSAE-00 NSC-10 RSC-01 SCEM-02 FPC-01

COME-00 TRSE-00 OMB-01 DRC-01 /105 W

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R 090505Z JAN 74

FM AMEMBASSY TOKYO

TO SECSTATE WASHDC 9135

INFO AMEMBASSY PARIS

USMISSION EC BRUSSELS

AEC GERMANTOWN

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AEC GERMANTOWN FOR FRIEDMAN

E.O. 11652: N/A

TAGS: TECH, JA

SUBJECT: JAPANESE PURCHASE OF ENRICHING SERVICES FROM EURODIF

REF: TOKYO 15664

SUMMARY: EURODIF CONTINUING NEGOTIATIONS WITH JAPANESE UTILITIES FOR SALE OF SEPARATIVE WORK BEGINNING EARLY 1980'S. NEXT MEETING SCHEDULED WEEK OF JAN 21. EURODIF HOPES HAVE LETTER OF INTENT SHORTLY THEREAFTER AND HAVE ALL CONTRACTS EXECUTED PRIOR JUNE 30, 1974. CONTRACT DETAILS, WHICH STILL SUBJECT NEGOTIATION, ARE REPORTED TO EXTENT KNOWN. END SUMMARY.

1. AEC SCIREP HAS OBTAINED ADDITIONAL INFO FROM INFORMED AND USUALLY RELIABLE SOURCES UPDATING AND SUPPLEMENTING THAT CONTAINED REFTELEX. EURODIF TEAM VISITED TOKYO DURING MID-DEC 1973 FOR FURTHER DISCUSSIONS RE FIRING OF COMMITMENT AND CLARIFICATION OF CONTRACTUAL DETAILS. DURING DISCUSSIONS EURODIF OFFICIALS PRESSED FOR JAPANESE COMMITMENT TO PRUCHASE 1,500 TONS SWU PER YEAR BEGINNING IN 1980 AND LETTER OF LIMITED OFFICIAL USE

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INTENT BY END OF DEC 1973. JAPANESE REPORTEDLY COUNTERED

WITH OFFER TO BUY 1,000 TONS SWU PER YEAR BEGINNING IN 1980  
WITH LETTER OF INTENT ABOUT MAY 1974.

2. EURODIF OFFICIALS SCHEDULED VISIT TOKYO AGAIN WEEK OF  
JANUARY 21 TO PURSUE REQUESTS AT WHICH TIME IT ANTICIPATED  
JAPANESE WILL PROBABLY AGREE TO 1,500 TON PROPOSAL AND TO PROVIDE  
LETTER OF INTENT BY EARLY FEB.

3. RE PRICE, EURODIF REQUESTING 237 FRENCH FRANCS PER SWU.  
THIS IS BASE PRICE AS OF JAN 1, 1973, AND SUBJECT TO ESCALATION  
FROM THAT DATE. DETAILS OF ESCALATION FORMULA, WHICH REPORTEDLY  
VERY COMPLICATED, NOT AVAILABLE. HOWEVER, FORMULA WOULD CHANGE  
AFTER 1978, PRESUMABLY REFLECTING DIFFERING BASES FOR CONSTRUCTION  
AND OPERATING PHASES.

4. ADVANCE PAYMENT WOULD BE REQUIRED STARTING JAN 1, 1975,  
AND WOULD BE 49.5 MILLION FRENCH FRANCS PER YEAR FOR FIVE YEARS  
(BASED ON PURCHASE OF 1,500 TONS PER YEAR). EACH INSTALLMENT  
OF DOWN PAYMENT WOULD BE CREDITED AGAINST SWU PURCHASES SEVEN  
YEARS FROM DATE OF PAYMENT OF THAT INSTALLMENT.

5. INITIAL LETTER OF INTENT EXPECTED TO BE FROM FEDERATION OF  
ELECTRIC POWER COMPANIES WITH DEFINITIVE CONTRACTS NEGOTIATED  
BY INDIVIDUAL UTILITIES AND EXECUTED BY JUNE 30, 1974.

6. EURODIF HAS PROPOSED A THREE-PHASE FIRING UP OF CONTRACT.  
AT TIME OF SIGNING CONTRACT CUSTOMER WOULD SPECIFY A QUANTITY  
(Q) OF SEPARATIVE WORK BASED ON TAILS ASSAY OF 0.25. PHASE II  
FIRMING UP WOULD OCCUR FOUR YEARS PRIOR TO YEAR OF PRODUCT  
DELIVERY. AT THAT TIME CUSTOMER REQUIRED TO SPECIFY PRODUCT  
ASSAY (LESS THAN FOUR PERCENT), SELECT SPECIFIC TAILS ASSAY  
BETWEEN 0.21 AND 0.29, AND SPECIFY NEW QUANTITY SWU OF Q2  
EQUALS Q1 PLUS TEN PERCENT. FOR ADDITIONAL, BUT UNIDENTIFIED  
PREMIUM, CUSTOMER COULD SPECIFY PRODUCT ASSAY IN EXCESS OF FOUR  
PERCENT, SELECT TAILS ASSAY IN RANGE OF 0.18 TO 0.32 PERCENT,  
AND SPECIFY SWU QUAN-  
TITY EQUAL TO Q1 PLUS FIFTEEN PERCENT.  
PHASE III, AND FINAL, FIRING UP WOULD OCCUR 120 DAYS PRIOR TO  
YEAR OF DELIVERY. AT THAT TIME CUSTOMER WOULD SPECIFY PRODUCT  
ASSAY WITHIN RANGE OF PLUS FIVE PERCENT OF THAT SPECIFIED IN  
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PHASE II AND SWU QUANTITY EQUAL TO Q2 PLUS THREE PERCENT.

7. FEED DELIVERY WOULD BE REQUIRED IN PERIOD 120-60 DAYS PRIOR  
TO PRODUCT DELIVERY. CUSTOMER REQUIRED TO TAKE DELIVERY OF  
PRODUCT WITHIN 30 DAYS AFTER DELIVERY DATE OR PAY STORAGE CHARGE.

8. TERMINATION CHARGES PROPOSED AS FOLLOWS: 50 PERCENT OF SWU  
CHARGE IF TERMINATED LESS THAN ONE YEAR PRIOR TO YEAR OF PRODUCT

DELIVERY WITH CHARGE REDUCING YEAR BY YEAR TO FIVE PERCENT WITH  
SEVEN-TO-EIGHT YEAR NOTICE AND NO CHARGE AFTER EIGHT YEARS.  
SHOESMITH

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** URANIUM, PROCUREMENT, PEACEFUL USES OF ATOMIC ENERGY, ELECTRIC POWER  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 09 JAN 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** morefirh  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974TOKYO00238  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** n/a  
**From:** TOKYO  
**Handling Restrictions:** n/a  
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**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
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